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Stress until Christmas?

A month ago, we discussed the development of German equities in the strategic bias and the question of whether a negative Q4 development like 2018 could be repeated in 2019. So far, the development in the bias has diverged so strongly that there is little to suggest a repetition of the weak share price development. The situation is different for bonds!



sentix Strategic Bias **German equities (course in 2018)** and **Euro area bonds (course in 2019)**

In contrast to the bias of equities, the basic confidence of investors in Euroland bonds has recently come under strong pressure. Such a development points to an increasing willingness to sell. If one considers besides that according to the sentix positioning data the investors are relatively highly invested in bonds, then from this an increased risk potential arises.

So far, investors have been holding back with larger levies. On the one hand, because the portfolios have "enough bacon". On the other hand, because an economic turnaround is not yet in sight. However, we would not be surprised if the pressure to sell bonds came up by the end of the year and this would continue until close to the end of the year - similar to last year's equities!



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